



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

THE BLUE BOOK

On July 1, 2015, the USDE published an [Electronic Announcement](#): Ending of Publication of the “*The Blue Book*”. The USDE will no longer publish *The Blue Book* as a separate document. All the information previously provided in *The Blue Book* has been incorporated into the [Federal Student Aid Handbook](#). The advantage to financial professionals and auditors include:

- Because the *FSA Handbook* is updated at least annually, the information is more current.
- The Index of the *FSA Handbook* includes hyperlinks that provide a fast and easy way to open the Handbook to the selected topic location; functionality that has never been available in the hardcopy *The Blue Book*.
- The *FSA Handbook* includes hyperlinks at the top of each page that open to other resources related to the topic. This is another function that has never been available in the hardcopy *The Blue Book*.

TRAINING

The USDE published an [Electronic Announcement](#) July 1, 2015: 2015 FSA Training Conference for Financial Aid

Professionals. The 2015 FSA Training Conference will be held December 1-4, at Mandalay Bay in Las Vegas, Nevada. Conference hours will begin Tuesday at 8 am and end Friday at 3 pm. Some of the topics for this year’s conference program will include changes and updates to the following:

- Clery Act, to include revisions to the Violence Against Women Act
- Protecting students’ privacy and loan data
- Gainful Employment rules
- 150 % Subsidized Direct Loan limit
- Student loan repayment options
- FAFSA changes
- Verification
- Cash management and loan reconciliation
- Federal Regulations

Registration and lodging information can be found at <http://fsaconferences.ed.gov>. Program and session information will be posted in the near future.

Dear Colleague Letter [ANN-15-09](#) was published by the USDE July 1, 2015: Training Workshops-Fundamentals of Federal Student Aid Administration. The training workshops are scheduled for July 2015 through June 2016 at one of the



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

USDE's regional training facilities. Each in-person workshop is four and one half days in length. All participants wishing to register for and attend a Fundamentals of Federal Student Aid Administration workshop must successfully complete an online course titled 'Introduction to Federal Student Aid' first. The online course can take up to 20 hours to complete. Two workshops have been added this year exclusively for schools with clock-hour programs. The DCL has a number of questions and answers outlining who should register and how, along with a schedule and location of all the in-person training workshops.

Dear Colleague Letter [ANN-15-10](#) was published by the USDE July 13, 2015: EDEExpress Online Training – EDEExpress Release 2.0 Online Training for 2015-2016. This online training is available on the Federal Student Aid E-Training website located at <http://fsatraining.info>. This self-paced course provides step-by-step instruction on EDEExpress Release 2.0 functionality, to include software setup for the Pell Grant, Direct Loan and TEACH Grant modules.

FFEL SPECIAL ALLOWANCE RATES

A [SAP Memo](#) was published by the USDE July 6, 2015: Federal Family Education Loan Program Special Allowance Rates for

the Quarter Ending June 30, 2015.

Attachments to the memo contain the quarterly special allowance rates computed for the quarter ending June 30, 2015. The bond equivalent rates of the 91-day Treasury Bills auctioned during the quarter are also provided. The average rates are below.

- Commercial Paper Rate .16 percent
- LIBOR Rate .19 percent
- Treasury Bill Rate .02 percent

BANKRUPTCY

On July 7, 2015, the USDE published Dear Colleague Letter [GEN-15-13](#): Undue Hardship Discharge of Title IV Loans in Bankruptcy Adversary Proceedings. Detailed guidance is provided in this DCL for guarantors and institutions, in the Federal Family Education Loan Program and Federal Perkins Loan Program, regarding actions they should take in defending bankruptcy adversary proceedings seeking discharge of Title IV student loans. In addition to background on student loans in bankruptcy, information provided includes undue hardship analysis and hypothetical examples with analysis of undue hardship factors.



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

FINANCIAL LITERACY

An [Electronic Announcement](#) was published by the USDE July 7, 2015: New Financial Literacy Report at MyMoney.gov. A report titled “[Opportunities to Improve the Financial Capability and Financial Well-being of Postsecondary Students](#)” has been posted at [MyMoney.gov](#). This report explains current efforts to enhance financial education among students. Topics included in the report cover:

- Policies and resources to help students make decisions on college choice and financing;
- Tools for navigating the college search and decision-making process;
- Tools for navigating postsecondary education financing and repayment;
- Financial decisions facing currently enrolled students and recent graduates;
- Institutional efforts to improve the financial capability of enrolled students;
- Recommendations and next steps for higher education institutions

Financial Aid Administrators and others are encouraged to use this information to support financial literacy efforts at their school.

PROGRAM INTEGRITY Q&A

The USDE published an [Electronic Announcement](#) July 9, 2015: Program Integrity Questions and Answers (Q&A) Website Update. The high school diploma and verification portions of the website were recently updated. To view updates go to the [Program Integrity Website](#) and look for bolded revised dates on the questions and answers under applicable topics that have been modified.

ABILITY TO BENEFIT

On July 9, 2015, the USDE published an [Electronic Announcement](#): Operational Guidance on Reporting Student Eligibility Codes for All Students, Including Those Who Are Enrolled in an Eligible Career Pathway Program. This announcement provides information on the following:

- Operational guidance about how schools will report Student Eligibility information to the Common Origination and Disbursement (COD) System, for students receiving aid under the new ATB provisions, as well as the existing student eligibility provisions. This guidance also includes an important clarification



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

- regarding the correct reporting for graduate and professional students;
- Reminders about the Career Pathway Alternative Pell Grant Payment Schedules; and
- Information on additional resources about COD System processing of ATB information

An [attachment](#) to this announcement provides Student Eligibility Code Values for COD System Reporting.

COLLECTION COSTS

Dear Colleague Letter [GEN-15-14](#) was published by the USDE July 10, 2015: Repayment Agreements and Liability for Collection Costs on Federal Family Education Loan Program Loans. This DCL restates the requirements and clarifies the rules for guaranty agencies regarding charging collection costs to FFELP borrowers who enter into repayment agreements. Specifically, a guaranty agency is barred from charging collection costs to a borrower who within 60 days after the initial notice of default enters into a repayment agreement, including a rehabilitation agreement, and honors that agreement. Detailed background and rationale is provided in the DCL on the requirement to do the following.

- Provide an initial “notice and opportunity to resolve” the debt
- Charge collection costs
- Offer loan rehabilitation

TITLE IV LOAN ISSUES

A [Federal Register Notice](#) was issued by the USDE July 9, 2015: Notice of Proposed Rulemaking – Title IV Loan issues. The USDE requests comments on or before August 10, 2015 regarding proposed amendments to the regulations. Changes are summarized in the associated [Electronic Announcement](#) published by the USDE July 10, 2015: Notice of Proposed Rulemaking on Income-Contingent Repayment, Servicemembers Civil Relief Act, Loan Rehabilitation, Public Service Loan Forgiveness and Cohort Default Rates.

NSLDS

An [Electronic Announcement](#) was published by the USDE July 13, 2015: Reaffirmation Data on NSLDS. When students receive an inadvertent overpayment of Title IV loan funds, they can either repay the amount or make satisfactory repayment arrangements with the loan holder. A repayment arrangement involves the student agreeing to repay the excess amount in writing to the loan holder, through a reaffirmation agreement. Enhancements to NSLDS now



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

allows for reporting of reaffirmation agreements from lenders and servicers. Reaffirmation agreement information will display on NSLDS and the Institutional Student Information Record for schools to use in determining a student's eligibility for additional Title IV aid. The [NSLDS Newsletter #48](#) issued July 13, 2015, provides more detail on the NSLDS enhancements. [Technical Update](#), LLS-2015-01: NSLDS Reaffirmation Functionality, also published July 13th, includes a Reaffirmation User Guide as an attachment.

[NSLDS Newsletter Number 49](#) was posted by the USDE July 22, 2015: Newsletter 49: Enhancements to NSLDS for Enrollment Reporting and Gainful Employment. Enrollment reporting enhancements include student address reporting, correct reporting of program data, the availability of enrollment reporting statistics online and the new Enrollment Statistics Report. An enhancement to the gainful employment process will assist schools with accurate reporting of social security numbers and provides a reminder on GE reporting deadlines.

GAINFUL EMPLOYMENT

The USDE published an [Electronic Announcement](#) July 13, 2015: Gainful

Employment Electronic Announcement #57 – Common Errors in Reporting Gainful Employment Data to NSLDS. Several critical reminders are provided to the community about correctly reporting gainful employment data to the NSLDS. Only students who received Title IV aid should be reported for attendance in a GE program. Information on the proper format for the GE program length and important reporting deadlines is included in the announcement. For more details on reporting GE data, you can review the [NSLDS Gainful Employment User Guide](#) under the Resources section of the [Gainful Employment Information Page](#).

HEAL PROGRAM

On July 14, 2015, the USDE published an [Electronic Announcement](#): HEAL Program Information - Maximum HEAL Program Interest Rates for Quarter Ending Sep. 30, 2015. The "Current Maximum Interest Rates" section of the [HEAL Interest Rates](#) page of the [HEAL Program Area](#) on the IFAP website has been updated with the maximum HEAL Program interest rates for the quarter ending Sep. 30, 2015.

LOAN SERVICING INFORMATION

The USDE published an [Electronic Announcement](#) July 8, 2015: Loan Servicing Information-Third Quarter's Customer



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

Service Performance Results (Updated July 15, 2015). This announcement provides the third quarter (ending March 31, 2015) results for servicer performance measured annually in the areas of customer satisfaction and default prevention. Each servicer's allocation of future loan volume is determined by these results when applicable. Attachments to the electronic announcement include the following:

- Explanation of Customer Service Performance Measure Methodology
- Quarterly Customer Service Performance Results for FedLoan Servicing (PHEAA), Great Lakes Educational Loan Services, Inc., Navient and Nelnet – Quarter Ending March 31, 2015
- Quarterly Customer Service Performance Results for Not-For-Profit (NFP) Members of the Federal Loan Servicer Team – Quarter Ending March 31, 2015

On July 22, 2015, the USDE published an [Electronic Announcement](#): Loan Servicing Information – Federal Loan Servicer Team Change. Aspire Resources, Inc. has decided they will no longer operate as a vendor in the federal student loan servicer team. Direct Loan accounts currently assigned to Aspire Resources, Inc. will be transferred to MOHELA or another NFP servicer.

Transfers of accounts began in August 2015 and will continue through September 2015. Borrowers affected will be notified before and after the transfers occur. A list of questions and answers are provided in the announcement for more information.

INTEREST RATES

A [Federal Register Notice](#) was published by the USDE July 17, 2015: Annual Notice of Interest Rates of Federal Student Loans Made Under the William D. Ford Federal Direct Loan Program on or after July 1, 2013. The interest rate calculations provided are for fixed-rate Direct Subsidized Loans, Direct Unsubsidized Loans and Direct PLUS Loans first disbursed on or after July 1, 2015 but before July 1, 2016.

FSA ID

An [Electronic Announcement](#) was published by the USDE July 17, 2015: FSA ID/PIN Replacement – FSA ID Must Only Be Created by FSA ID Owner. The creation and use of an FSA ID should only be done by the individual who owns the FSA ID. The USDE has determined that a large number of people having difficulty logging in with their FSA ID have had their FSA ID created by someone else. It is important to remember that third parties are prohibited from creating or soliciting an FSA ID for or



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

from another person. It is also prohibited to use someone else's FSA ID. These activities are prohibited regardless if the FSA ID owner knows about it or voluntarily allows it. Contact information is provided in the announcement for individuals who are having trouble logging in or changing their passwords.

150% DIRECT SUBSIDIZED LOAN LIMIT

On July 20, 2015, the USDE published an [Electronic Announcement](#): 150% Direct Subsidized Loan Limit: Electronic Announcement #18 – Implementation of Loss of Interest Subsidy Based on Enrollment. A borrower who is no longer eligible for additional Direct Subsidized Loans due to the 150 % limit may lose interest subsidy on existing Direct Subsidized Loans with the borrower's continued enrollment in an undergraduate program. The functionality in NSLDS that identifies borrowers who have lost eligibility for the interest subsidy has been implemented by the USDE. Servicers will begin applying the loss of subsidy to the affected borrowers' Direct Subsidized Loans and will contact those borrowers about their responsibility for the accruing interest. Approximately 6000 borrowers will be impacted by this initial implementation of the loss of subsidy functionality. Federal

loan servicers will serve as initial points of contact for borrowers who have questions about their loss of subsidy.

FISAP

The USDE published an [Electronic Announcement](#) on July 20, 2015: eCampus-Based Application for the Fiscal Operations Report for 2014-2015 and Application to Participate for 2016-2017 Now Available. The application can be found on the [e-Campus Based Website](#). This announcement includes important reminders and instructions regarding completion of the Fiscal Operations Report and Application to Participate. The deadline for electronic submission of the FISAP is 11:59 P.M. (ET) Oct. 1, 2015.

Also published by the USDE July 29, 2015, is an [Electronic Announcement](#): eCampus-Based Electronic Signature Reminder. Schools are encouraged to utilize the eSignature option for the Chief Executive Office signature on the following forms:

- FISAP
- Lobbying form
- Work Colleges Application
- Work Colleges Expenditure Report
- Expenditure Report for Title IV Aid to Students with Intellectual Disabilities



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

Additional information is available in the [June 26, 2014 Electronic Announcement: Implementation of Electronic Signature and Two Factor Authentication for eCampus-Based Website](#).

REFERENCE GUIDE

An [Electronic Announcement](#) was published by the USDE July 22, 2015: 2015-2016 SAR Comment Codes and Text Guide (July 2015 Update). This updated reference guide can be found on the Information for Financial Aid Professionals website under Publications and at the following link: <https://www.fsadownload.ed.gov>.

VIOLENCE AGAINST WOMEN ACT

Dear Colleague Letter [GEN-15-15](#) was published by the USDE July 22, 2015: Implementation of the VAWA Final Regulations. This DCL summarizes the final regulations implementing statutory changes to the Clery Act. A list of the major changes made to the Clery Act regulations and information on the 2015 Campus Safety and Security Survey is outlined in the DCL. Changes were made in an effort to curb incidents of sexual assault, domestic violence, dating violence and stalking on institutional campuses.

UNACCOMPANIED HOMELESS YOUTH

The USDE published Dear Colleague Letter [GEN-15-16](#) July 29, 2015: Unaccompanied Homeless Youth Determinations. This DCL clarifies the roles and responsibilities of institutions and applicants when making determinations of Title IV dependency for unaccompanied homeless youth. Important definitions and background information are included in the DCL along with guidance on the following topics:

- Applying for Title IV Aid
- Determinations by FAAs
- Documentation of Homelessness or Risk of Homelessness

PROTECTING STUDENT INFORMATION

Dear Colleague Letter [GEN-15-18](#) was published by the USDE July 29, 2015: Protecting Student Information. In this DCL, institutions of higher education and their third-party servicers are reminded of their continued obligation to protect data used in all aspects of the administration of Title IV Federal student financial aid programs. Institutions may be responsible for losses, fines and penalties caused by data breaches under various Federal and state laws and



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

other authorities, to include the HEA, the FERPA, the Privacy Act of 1974, as amended, and the Gramm-Leach-Bliley Act among others. To avoid those risks, institutions are strongly encouraged to follow industry standards and best practices to protect personally identifiable information by:

- Assessing the risk and magnitude of harm that could result from unauthorized access, use, disclosure, disruption, modification or destruction of information or information systems;
- Determining the levels of information security appropriate to protect information and information systems;
- Implementing policies and procedures to cost-effectively reduce risks to an acceptable level; and
- Regularly testing and evaluation of information security controls and techniques to ensure effective implementation and improvement of such controls and techniques

Additional information is provided in the DCL on other requirements and resources for institutions to be aware of.

FORMS

A [Federal Register Notice](#) was published by the USDE July 30, 2015: Comment Request; Federal Perkins/NDSL Loan Assignment Form. The USDE is soliciting comments on a proposed revision of the Federal Perkins/NDSL Loan Assignment Form. Comments are due on or before Sep. 28, 2015. Contact information and instructions for submitting comments are in the notice.